



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

February 5, 2013

MICHAEL F. CHILDERS, TREASURER
DEMOCRATIC PARTY OF WISCONSIN
110 KING ST STE 203
MADISON, WI 53703

Response Due Date
03/12/2013

IDENTIFICATION NUMBER: C00019331

REFERENCE: 12 DAY PRE-GENERAL REPORT (10/01/2012 - 10/17/2012)

Dear Treasurer:

This letter is prompted by the Commission's preliminary review of the report referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **Failure to adequately respond by the response date noted above could result in an audit or enforcement action.** Additional information is needed for the following **13** item(s):

1. The totals listed on Line(s) 11(b), 11(d) and 12, Column B of the Detailed Summary Page(s) appear to be incorrect. Column B figures for the Summary and Detailed Summary Pages should equal the sum of the Column B figures on your previous report and the Column A figures on this report. Please file an amendment to your report to correct the Column B discrepancies for this report and all subsequent report(s) which may be affected by this correction. Note that Column B should reflect only the Calendar Year-to-Date totals. (2 U.S.C. § 434(b))
2. Your calculations for Line 8 appear to be incorrect. Cash on hand at the close of the current reporting period should always equal the closing calendar year to date cash on hand amount. Please provide the corrected total on the Summary Page. (2 U.S.C. § 434(b))
3. Your calculations for Line(s) 11(a)(iii), Column B appear to be incorrect. Please provide the correct totals on the Detailed Summary Page. (2 U.S.C. § 434)(b)(7))
4. Schedule A of your report discloses aggregate year-to-date total(s) for some contribution(s) (see attached) which appear to be incorrect. Please amend your report to provide the correct aggregate year-to-date totals. (11 CFR § 104.3(a)(2))

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5. Schedule A, supporting Line 12 of your report discloses memos and transfers, totaling \$2,009,998.14 and \$1,438,375.10, respectively, from "Obama Victory Fund 2012," that appear to be received through joint fundraising efforts. However, "Obama Victory Fund 2012" is not disclosed as a joint fundraising representative on your Statement of Organization. Please amend your Statement of Organization to disclose the joint fundraising representative or amend your report to provide clarifying information. (11 CFR §102.2)

6. On Schedule(s) B supporting Line(s) 21(b) of the Detailed Summary Page, you have not included the full name and/or mailing address for the payment made to "Mack Crounse." Please amend your report accordingly. (11 CFR § 104.10(b)(4) and 104.17(b)(3))

7. On Schedule(s) B supporting Line(s) 30(b) of the Detailed Summary Page, you have not included the full name and/or mailing address for several vendors listed. Please amend your report accordingly. (11 CFR §300.36(b)(2)(iii))

8. Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule(s) B for Line 30(b) of your report to clarify the following description(s): "volunteer expenses." For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

9. Schedule B of your report discloses a payment(s) for "volunteer per diem." Please be advised that a political committee may maintain a petty cash fund out of which it may make expenditures not in excess of \$100 to any person per purchase or transaction. (11 CFR §102.11) Please provide clarifying information regarding this activity.

10. Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule(s) H4) of your report to clarify the following description(s): "volunteer expenses." For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

11. Schedule H4 supporting Line 21(a) of your report discloses a payment(s) for "dental/life insurance," "FICA Match," "health insurance," "health insurance reimbursement," "insurance," "payroll- see memo" and "salary." Please be advised that pursuant to 11 CFR §300.33(c)(2), salaries and wages for employees who spend more than 25% of their compensated time in a given month on Federal Election Activity (FEA) or activities in connection with a

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Federal election must not be allocated between or among federal and non-federal accounts. Rather, only federal funds may be used. Further, the Commission concluded in Advisory Opinion 2003-11 that amounts spent for employee-specific "fringe benefits," consisting of health insurance, disability insurance, life insurance, retirement benefits and payroll taxes, fall into the category of compensated time.

Please clarify whether this activity is for employees who spent 25% or less of their time during the month(s) referenced above on FEA or activities in connection with a Federal election. If this is not the case, any reimbursement from your committee's non-federal account for this payment is not permissible and must be returned. Although the Commission may take further legal action regarding any improper allocation activity, your prompt action will be taken into consideration.

12. Schedule H4 of your report discloses a payment(s) for "postcards-volunteer exempt," which appears to meet the definition of Federal Election Activity ("FEA") and may also meet the conditions of exempt party activity as defined under 11 CFR §§100.80, 100.87, 100.89 and 11 CFR §§100.140, 100.147 and 100.149. Please be advised that activity which simultaneously constitutes both exempt activity and FEA must be paid for as an FEA activity.

If this apparent exempt activity represents Get-out-the-vote activity conducted in connection with an election in which one or more candidates for Federal office appear on the ballot, it is considered to be Federal Election Activity. If this apparent exempt activity represents Voter Registration activity during the period that begins on the date that is 120 calendar days before the date that a regularly scheduled Federal election is held and ends on the date of the election, it is considered to be Federal Election Activity. (11 CFR §100.24) Further, Levin funds may only be used for these types of FEA if there is no reference to a clearly identified candidate for Federal office. (11 CFR §300.32(b) and (c))

If this apparent exempt activity is a public communication(s) (as defined under 11 CFR §100.26) that refers to a clearly identified candidate for Federal office and promotes, supports, attacks or opposes any candidate for Federal office, it meets the definition of Federal Election Activity under 11 CFR §100.24 and must be paid for with 100% Federal funds and disclosed on Schedule B for Line 30(b) along with the identity of the candidate(s).

Further, public communications that meet the definition of Federal Election Activity and that also contain express advocacy as defined under 11 CFR

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§100.22, but do not meet the conditions of exempt activity, would constitute an in-kind contribution, an independent expenditure or a coordinated party expenditure and should be properly disclosed on a Schedule B, E or F supporting Lines 23, 24 or 25, as appropriate.

It appears that you have allocated the costs for this activity between federal and non-federal funds. Any reimbursement from your committee's non federal or Levin account for Federal Election Activity costs referencing a clearly identified candidate for Federal office is not permissible and must be returned. (11 CFR §§300.32 and 300.33)

Please amend your report to clarify if the activity disclosed meets the conditions of exempt party activity and also if it meets the definition of Federal Election Activity. If the activity does not meet the conditions of exempt party activity, please clarify if it contains express advocacy. Further, please inform the Commission of any corrective action immediately and properly disclose this activity, if necessary.

13. Schedule H4 of your report discloses a payment(s) for "intern stipend/wages." Please be advised that a political committee may maintain a petty cash fund out of which it may make expenditures not in excess of \$100 to any person per purchase or transaction. (11 CFR §102.11) However, if this expenditure(s) represents an apparent reimbursement(s) to an individual(s) for apparent travel and subsistence advances in which the total amount reimbursed exceeds \$500, there are additional reporting requirements. Please provide clarifying information regarding this activity and amend your report to include any missing information as noted below.

When the reimbursement amount to staff for travel and subsistence advances exceeds \$500, the payments by committee staff that make up the reimbursement have to be itemized as memo entries regardless of the amount. Each memo entry must include the complete name and address of the original vendor, as well as the date, amount and an adequate purpose. Schedule H4 should clearly identify which reimbursement each memo entry relates to. (11 CFR §§104.10 and 104.17, and Advisory Opinion 1996-20, footnote 3)

- Schedule B supporting Line 21(b) of your report discloses a payment(s) for "list purchase" which appears to be disclosed on the wrong line of the Detailed Summary Page. For your information and consideration when preparing future filings, please be advised that Voter Identification, Generic Campaign and Get-out-the-vote activity conducted in connection with an election in which one or more candidates for Federal office appear on the ballot is considered to

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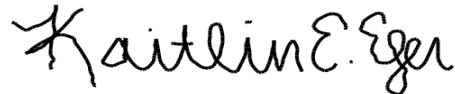
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be Federal Election Activity and should be disclosed on Schedule B for Line 30(b) of the Detailed Summary Page. (11 CFR §100.24) For your next filing, please refer to the instructions for each line when determining the proper categorization(s).

Please note, you will not receive an additional notice from the Commission on this matter. Adequate responses must be received by the Commission on or before the due date noted above to be taken into consideration in determining whether audit action will be initiated. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action. **Requests for extensions of time in which to respond will not be considered.**

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1143.

Sincerely,

A handwritten signature in black ink that reads "Kaitlin Eger". The signature is written in a cursive, flowing style.

Kaitlin Eger
Sr. Campaign Finance & Reviewing Analyst
Reports Analysis Division

Aggregate Year-to-Date Total(s) Calculated Incorrectly
Democratic Party of Wisconsin (C00019331)

Contributor Name	Date	Amount	Reported YTD Total	YTD Total Calculated by FEC
Wall for Congress	10/15/12	\$400.00	-\$3,359.36	*\$6,640.64

*Note: Committees may report aggregate year-to-date figures as a running total or as a grand total through the end of the reporting period.